

## Message Text

LIMITED OFFICIAL USE

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ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 EB-08 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 L-03 /090 W

-----088983 270323Z /75

R 270041Z JUL 77

FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 3685

INFO AMEMBASSY BONN

AMEMBASSY CANBERRA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

LIMITED OFFICIAL USE WELLINGTON 03072

EO 11652: N/A

TAGS: ADB EGEN

SUBJECT:ADB LIKELY TO CUT LENDING RATE

REF: STATE 156569

1. EMBASSY CONVEYED US POSITION AS STATED  
REFTEL TO GOVERNMENT OF NEW ZEALAND (GNZ) EARLIER  
THIS MONTH. AFTER SOME CONSULTATION WITHIN  
THEIR OWN RANKS, THE NEW ZEALANDERS HAVE  
NOW CONCLUDED IT IS IN THEIR BEST INTERESTS  
TO GO ALONG WITH A REDUCTION OF THE ADB  
RATE TO 8.25 PERCENT. WHILE THE GNZ FULLY  
AGREES WITH USG ON NECESSITY FOR SOUND  
BANKING PRACTICES IN ADB, THEY FEEL IN THIS  
INSTANCE A REDUCTION TO 8.25 PERCENT IS  
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NOT TOTALLY UNREASONABLE. GNZ POSITION IS  
HEAVILY COLORED BY POLITICAL CONSIDERATION  
OF NOT WISHING TO OFFEND DEVELOPING COUNTRY  
MEMBERS WITH WHOM THEY ARE GROUPED IN THE  
BANK. GNZ WILL, HOWEVER, INSIST THAT IF  
BANK BORROWING RATES RISE IN THE FUTURE  
THE LENDING RATE SHOULD BE ADJUSTED UPWARD

ACCORDINGLY.

2.AFTER HAVING STATED ABOVE POSITON, NZ  
TREASURY OFFICIAL WENT ON TO SAY THAT IF  
HOWEVER, STRONG OPPOSITION TO REDUCTION IN  
RATE SHOULD DEVELOP, THE GNZ COULD BE  
PERSUADED TO CHANGE ITS POSITION. IN  
SHORT, THE NEW ZEALANDERS DO NOT WANT TO  
BE OUT IN FRONT ON THIS ISSUE BUT PROBABLY  
WOULD SUPPORT THE US POSITION IF IT APPEARS  
THAT OUR VIEW HAS A GOOD CHANCE OF  
PREVAILING. SELDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, DEVELOPMENT BANKS, INTEREST RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977WELLIN03072  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770267-0258  
**Format:** TEL  
**From:** WELLINGTON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770711/aaaaajsw.tel  
**Line Count:** 74  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a9f9f662-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 156569  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 28-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1728815  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB LIKELY TO CUT LENDING RATE  
**TAGS:** EGEN, EFIN, NZ, ADB  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a9f9f662-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009